



Qualified Office Conversion Tax Credit

A New Federal Tax Credit to Help Maintain the Vitality and
Vibrancy of Our Downtowns and Business Districts



The Data

- Surveys consistently show:
 - 80% of office workers want to work in the hybrid model.
 - Most companies intend go hybrid.
 - We are likely to experience significant disruption in the use of office space.

<https://rockventures.box.com/s/9jy7r7jvls4wf3v7hcb3ububy4rwq>



The Implications for Cities

- Structural vacancy in the office market
- “Flight to Quality” with greatest impacts on Class B and Class C properties
- Impacts on:
 - Local tax base
 - Small businesses
 - Urban vibrancy



Qualified Office Conversion Tax Credit

- The goal:
 - Replace vacancy with vibrancy
 - Provide critically needed housing supply
 - Support local tax and economic base



How It Works

- Modeled on the Historic Tax Credit
- 20% Credit Against “Qualified Conversion Expenses”
- Conversions can be to residential or other commercial uses



Eligibility

- Building must be “obsolete office structure” defined as office at least 25 years old or older
- Conversion expenses must equal or exceed adjusted basis in the property



The Coalition

- Chicagoland Chamber of Commerce
- SPUR (Regional Planning and Policy Organization for San Francisco Region)
- California Downtown Association
- Center City Association of Los Angeles
- Central Houston Inc.
- Downtown Dallas Inc.
- Downtown Sacramento Partnership
- Indy Chamber
- Downtown Cleveland Alliance
- Greater Cleveland Partnership
- City of Akron/Greater Akron (OH) Chamber
- City of Dayton
- Center City Cincinnati Development Corporation (3CDC)
- Downtown Denver Partnership
- Pittsburgh Downtown Partnership
- Greater Pittsburgh Chamber of Commerce
- Greater Portland Inc.
- Downtown Seattle Association
- Real Estate Board of New York
- Downtown Partnership of Baltimore
- Minneapolis Downtown Council
- Minneapolis Regional Chamber
- MKE Downtown (Milwaukee)
- Federal City Council and DC BID (Washington, DC)
- Metro Hartford Association
- Greater St. Louis Inc
- Newark Downtown Alliance
- REV Birmingham / Birmingham Business Alliance
- Downtown Little Rock Partnership
- City of Grand Rapids / Downtown Grand Rapids Inc.
- Downtown Detroit Partnership / Detroit Regional Chamber
- City of Lansing



To Support the Bill

- Please contact JaredFleisher@rockcentraldetroit.com if you are interested in joining the coalition.
- No expenses involved – simply about signing on and contacting your Members of Congress in support.